

DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin

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4 April 1969

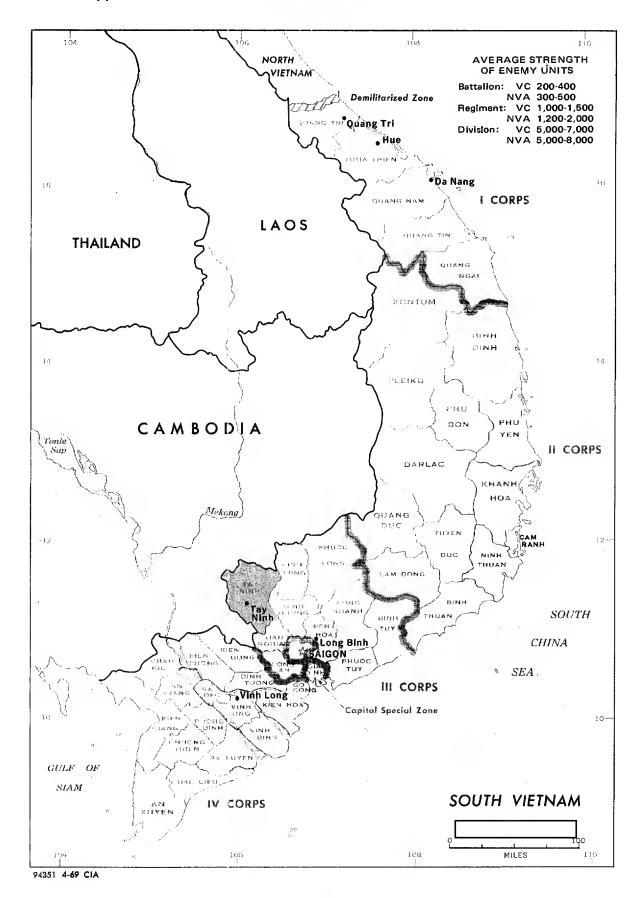
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South Vietnam: The Communists intensified their rocket and mortar attacks in northwestern III Corps on 3 April, but the rest of the country remained relatively quiet.

At least two Communist ground attacks were directed against South Vietnamese Army units on the outskirts of Tay Ninh city and another Viet Cong company destroyed civilian homes in a village in the southern part of Tay Ninh Province.

In the engagements with the South Vietnamese Army, the Communists lost 39 killed, while inflicting losses of 11. An 18-round 107-mm. rocket bombardment against the US Army base at Long Binh, just northeast of Saigon, punctuated an otherwise quiet day in the remainder of III Corps. Aside from one terrorist incident directed against a downtown police station in Saigon, the capital and the cities of Hue and Da Nang were quiet on 3 April.

No ground fighting of any consequence occurred in either the northern provinces or the delta. The enemy did, however, launch a few mortar rounds from the Demilitarized Zone into a US Marine patrol position just south of the zone, and harassed US military and civilian installations in Quang Tri and Vinh Long cities.

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Czechoslovakia: The Dubcek leadership apparently feels that it has no choice now but to introduce certain restrictive domestic policies and to exercise closer control over the population.

In a nationwide radio and television speech, Dubcek yesterday warned the people that they must comply with newly imposed and threatened domestic restrictions and refrain from further anti-Soviet demonstrations, or face a situation similar to that of last August, an allusion he made three times. Dubcek hinted that the Russians had lost their patience, and might now be ready to take other steps to speed the process of "normalization." In effect, Dubcek was telling the people that another anti-Soviet outburst probably would signal the end of the Dubcek leadership--presumably to be replaced by a Soviet-installed regime--the end of the reform program, and the return of Soviet tanks and troops to major urban areas.

The Czechoslovak leader acknowledged that the anti-Russian disturbances between 28-29 March had precipitated the most serious political crisis since the invasion, but did not allude to new restrictions beyond those outlined by the party presidium on 2 April. He made clear, however, that these measures would be enforced.

Dubcek's comments did not indicate that there would be an immediate purge of dissidents in the party, government, and mass media. Moreover, the government press chief, who has announced that preliminary censorship will be imposed on the press, told a group of radio editors that the restrictions will only be temporary and that no journalists will be fired.

Dubcek remains in a bind. He apparently can no longer drag his feet in responding to Moscow's demands--"we must combine persuasion with decisive

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measures"--and has tried in his speech to convince the people to accept new domestic restrictions without reservations. At the same time, he must try to mollify progressive groups, such as the workers, students, and intellectuals, which have become increasingly alienated from the party leadership.

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already planning a general strike to protest an expected government announcement of general price hikes next week. The regime considers this measure an essential step in its economic reform program. Such a strike, which probably would also be joined by the students, could generate more public manifestations of anti-Russian sentiment, and lead to the political demise of Dubcek and his colleagues. The Czechoslovak leader apparently has no illusions in this regard. He commented in his speech on the need to take unpopular measures to deal with the "very difficult economic situation," and called for calm in response to them.

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Indonesia: The Indonesian Communist Party's
top leadership has been virtually wiped out.

there is no longer a central committee nor are there any provincial committees. Some individual senior Communists are still active independently, however.

Two army operations within the past year destroyed most of what little the party had managed to rebuild after its decimation in the wake of the coup attempt in 1965. In mid-1968 the army killed or captured over half of the central committee and most of East Java's provincial committee, and crushed a Communist resurgent effort in East and Central Java. The second operation, early this year, appears to have largely dispersed a less advanced attempt at reorganization in Central Java.

The extent to which the party was able to rebuild itself in parts of Central Java since the last government sweep appears to have surprised the army leadership, even though these areas have been traditionally sympathetic to the Communists. The military continue to regard the Indonesian Communist movement as the chief potential threat to the country. Government leaders are looking to their long-range economic improvement program to undercut the Communist appeal to the millions who were once affiliated with the party or its front groups. This program depends on continued foreign economic assistance.

President Suharto has apparently exaggerated the current dimensions of the Communist threat in recent public statements for domestic effect. In a recent conversation with the outgoing US ambassador, Suharto also emphasized the long-range Communist danger and claimed that Communist China was

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still providing guidance and assistance to the Indonesian Communists. There is no evidence of direct support from Peking at present, and some army officers may deliberately inflate pro-Communist activities by indigenous Chinese.

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Thailand-USSR: A Thai mission to the USSR next month will conclude Bangkok's first trade agreement with Moscow, [The prospective trade agreement is the outcome of long-standing Soviet efforts to formalize the small amount of trade being conducted between private Thai businessmen and the Soviet trade mission in Bangkok. Thailand's decision to establish formal trade relations with the Soviets reflects its desire to expand markets for Thai rubber and jute exports in the USSR and Eastern Europe. The Thai mission also will visit Czechoslovakia, Poland, Hungary, Bulgaria, and Yugoslavia in an effort to widen economic contacts with these countries. Thailand's trade with Eastern Europe has been very small, with only Czechoslovakia and

Poland maintaining trade missions in Bangkok.

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Tunisia-Morocco-EEC: After six years of negotiation, Tunisia and Morocco have signed partial association agreements with the European Economic Community (EEC).

The two countries will enjoy certain tariff and quota advantages in the European market. Tunisian agreement calls for an 80-percent reduction of EEC duties on citrus, one of Tunisia's fastest growing exports, provided specified minimum prices are maintained. The agreement also liberalizes the terms governing a variety of other Tunisian exports to the EEC.

The EEC will be granted tariff concessions on about 40 percent of the commodities imported by Tunisia and a larger quota for 11 percent of Tunisia's imports. Special provisions have been included to protect infant industries in Tunisia and to relieve serious deficits in the Tunisian balance of payments.

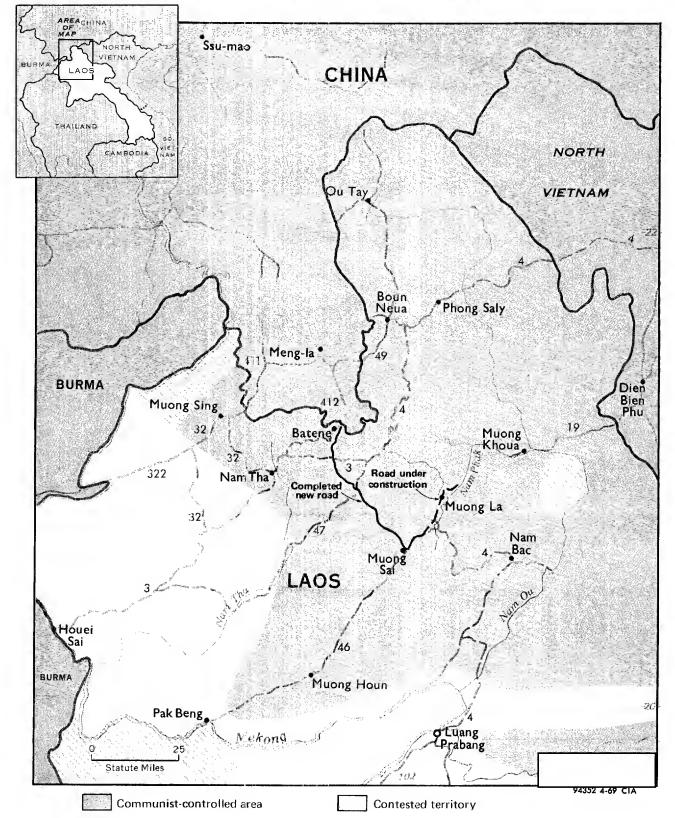
The Moroccan agreement includes EEC concessions similar to those granted Tunisia. Although several of Morocco's major agricultural products are excluded, about 75 percent of Morocco's exports to the EEC will receive preferential treatment. Both the Tunisian and Moroccan agreements are renewable in 1972.

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Chinese Double Number of Support Buildings Along New Road Since January



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Jamaica: Prime Minister Shearer has been unable to control rising urban crime despite increased efforts by police and military authorities to restore order. Shearer, whose own home was fired at recently, charged that subversive elements are responsible for the wave of violence, but there is no evidence to substantiate this allegation. Several foreign embassies have instituted special security measures to protect their personnel. According to the US Embassy, general reactions in the Kingston area range from jitters to fear.

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